



Magnesium Corporation of America

238 North 2200 West, Salt Lake City, Utah 84116  
(801) 532-2043, Telex 6711664, Fax (801) 534-1407

December 13, 1989

D. Wayne Hedberg  
Permit Supervisor/Reclamation  
State of Utah  
Department of Natural Resources  
Division of Oil Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Dear Wayne,

Our November 27, 1989 I met with Holland Shepherd of your office for assistance in completing the Permit Transfer, Replacement Reclamation Contract & Reclamation Surety which you requested in your letter dated November 9, 1989.

After completing the forms I was unable to get the reclamation surety bond changed do to agreed to conditions of the sale of the company. It was agreed by the parties involved in the sale of Amax Magnesium that all bonds would remain in effect because the sale was a stock purchase agreement. The intent of the parties is clearly outlined in the attached letter from Renco Group Inc. legal counsel, Justin D'Atri (see attached).

Holland Shepherd indicated that the letter from legal counsel and the amended certificate of authority documenting the name change would probably suffice in meeting the State of Utah's concerns.

I hope this additional information resolves your prior concerns.

Sincerely,

A handwritten signature in cursive script, reading "Lee R. Brown". The signature is written in dark ink and is positioned above the typed name and title.

Lee R. Brown  
Vice President  
Magnesium Corporation of America

Attachment

RECEIVED  
DEC 15 1989  
DIVISION OF  
OIL, GAS & MINING

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